out in their Monthly Review of June, 1997) indicate that while the growth of net profit of these companies declined by 10.6 per cent in 1996-97, the gross profit margin and net profit margin grew by 16.6 per cent and 6.2 per cent respectively, in 1996-97. Compared to 1994-95 and 1995-96, the growth of gross profit margin and net profit margin of these companies were lower in 1996-97 but higher than those during the years between 1987-88 and 1993-94.

(b) the decline in profit of the companies in 1996-97 could be attributed to a combination of factors, such as high cost of interest and depreciation, provision of MAT compelling hitherto zero tax companies to pay a tax for the first time and slowdown in export growth.

(c) Government have taken various policy measures which are likely to stimulate industrial investment and production. The Union Budget 1997-98 announced reduction in corporate and other taxes which will have a favourable impact on the industrial sector. Further, ECB guidelines have been liberalised so that corporates have access to international capital market. The RBI, in its monetary and credit policy (April 1997) have signalled downward trend in interest rates which has resulted in decline in interest rates in financial markets.

Loans Advanced to Industrial units by Financial Institutions

742. SHRI GYAN RANJAN: Will the Minister of FINANCE be pleased to state:

(a) the names of industrial units which have been advanced more than Rs. 25 crores in the four zones of the country by financial institutions such as IDBI, ICICI, IFCI and others;

(b) their location and the amount advanced to each Industrial Unit;

(c) the names of defaulters in the repayment of the loan and whether some of these defaulters have again been advanced some amount, if so, the amount advanced in each case and the reasons therefor;

(d) the criteria and the policy under which such loans were granted; and

(e) whether Government have taken any action against the defaulters; if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

Impact of Losses incurred by ITC on Investors

743. SHRI GYAN RANJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Public Financial Institutions, which have substantial stake in ITC, have failed to protect the interest of common investors and Government's money;

(b) whether some Directors are responsible for this failure;

(c) the total loss incurred by ITC and the component of the loss on account of large arrears of excise duty payable by ITC;

(d) the persons responsible for the loss and what action has been taken by the financial institutions in this regard;

(e) the financial institutions which have failed to take any action and whether Government would order a CBI inquiry in the metter; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) ITC Limited is a private section company and the Board of Directors of the company or the shareholders in the general meetings of the company, as the case may be deal with issues relating to the company.

Industrial Development Bank of India (IDBI) has, however, reported that the common investors in a company are inter-alia interested in regular dividend payment by the company and appreciation in share price. During the year 1997, the company has declared 35% dividend as against 25% during 1996 and the share price has appreciated over the last one year from Rs.